



General Assembly

Amendment

February Session, 2000

LCO No. 4981

Offered by:

SEN. SULLIVAN, 5th Dist.

SEN. GAFFEY, 13th Dist.

SEN. HARP, 10th Dist.

REP. LYONS, 146th Dist.

SEN. CRISCO, 17th Dist.

REP. EBERLE, 15th Dist.

To: Subst. Senate Bill No. 437

File No. 201

Cal. No. 187

***"An Act Establishing A Blue Ribbon Commission On
The Future Of Hospitals."***

1 Strike out everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (a) There is established a Commission on the Future of
4 Hospital Care in Connecticut. The commission shall: (1) Review the
5 current and projected financial condition of hospitals in this state,
6 including, but not limited to, hospital corporations, holding
7 companies, parent companies, affiliates, subsidiaries, other related
8 entities and trusts or other endowments; (2) examine the financial and
9 operating impact on hospitals of current state assessments, state
10 regulatory costs, including certificate of need determination and
11 licensing, adequacy and timeliness of third party payments, bond and
12 debt structures, and incentives; (3) examine access to and the delivery
13 of hospital health care in the state and on a regional basis, including,
14 but not limited to, staffing levels and needs, total bed availability and
15 capacity, historical and current service areas, and community benefits;

16 (4) determine the financial and operating impact of managed care and
17 the Federal Balanced Budget Act of 1997 on such hospitals, including
18 the adequacy of federal Medicaid and Medicare reimbursement; (5)
19 consider opportunities and impediments to collaboration and
20 cooperative financial and operating arrangements among hospitals
21 and other health care facilities in the state; (6) examine the impact,
22 including health care delivery effectiveness, of past mergers,
23 affiliations and other restructuring as well as competition from
24 nonhospital health care facilities and medical service; (7) review the
25 recruitment, education, training, assignment, and financing of
26 undergraduate and graduate medical students and other hospital-
27 based employment opportunities; and (8) consider the impact of
28 information technology and medical technology on the efficiency and
29 effectiveness of hospital operations and health care.

30 (b) (1) The commission shall consist of:

31 (A) Two members appointed by the president pro tempore of the
32 Senate and two members appointed by the speaker of the House of
33 Representatives;

34 (B) One member appointed by the majority leader of the Senate and
35 one member appointed by the majority leader of the House of
36 Representatives;

37 (C) Three members appointed by the minority leader of the Senate
38 and three members appointed by the minority leader of the House of
39 Representatives; and

40 (D) The chairpersons and ranking members of the joint standing
41 committee of the General Assembly having cognizance of matters
42 relating to public health.

43 The Secretary of the Office of Policy and Management, the
44 Commissioner of Public Health and the Commissioner of Health Care
45 Access, or their designees, shall serve as ex-officio members of the
46 commission. All appointments to the commission shall be made not

47 later than thirty days following the effective date of this act and any
48 vacancy shall be filled by the appointing authority within thirty days
49 following notice of such vacancy. The chairpersons of the joint
50 standing committee of the General Assembly having cognizance of
51 matters relating to public health shall serve as chairpersons of the
52 commission and shall convene the first meeting of the commission not
53 later than sixty days following the effective date of this act.

54 (2) The administrative staff of the joint standing committee of the
55 General Assembly having cognizance of matters relating to public
56 health shall serve as administrative staff to the commission.

57 (3) Not later than January 1, 2001, the commission shall submit an
58 interim report of its activities, findings and recommendations, if any,
59 and not later than January 1, 2002, shall submit a final report of its
60 activities, findings and recommendations, if any, to the joint standing
61 committee of the General Assembly having cognizance of matters
62 relating to public health, in accordance with the provisions of section
63 11-4a of the general statutes. The commission shall terminate on
64 January 1, 2002.

65 Sec. 2. (a) The Board of Trustees of The University of Connecticut
66 shall prepare quarterly reports, pursuant to subsection (b) of this
67 section, for The University of Connecticut Health Center.

68 (b) Each report shall contain the following information for the
69 previous quarter: (1) Financial results for the health center as a whole
70 and for its component parts, including an income statement, balance
71 sheet and cash flow statistics and a financial forecast comparing such
72 results to the budget; (2) restructuring, cost cutting and revenue
73 enhancement information, including a description of actions taken and
74 timetables, progress made, financial and other impact, and information
75 on measurement and accountability; and (3) operational results,
76 including performance for all units of the health center.

77 (c) The reports required under this section shall be submitted to The
78 University of Connecticut Health Center Review Committee in

79 accordance with the following schedule by: (1) August fifteenth for the
80 quarter ending June 30, 2000, (2) November fifteenth for the quarter
81 ending September 30, 2000, (3) February fifteenth for the quarter
82 ending December 31, 2000, and (4) May fifteenth for the quarter ending
83 March 30, 2001.

84 Sec. 3. (a) There is created The University of Connecticut Health
85 Center Review Committee. The review committee shall be composed
86 of the chairpersons and ranking members of the joint standing
87 committees of the General Assembly having cognizance of matters
88 relating to public health, education and appropriations and the
89 budgets of state agencies, or their designees who shall be members of
90 the respective committees of cognizance.

91 (b) The speaker of the House of Representatives and the president
92 pro tempore of the Senate shall each appoint one member of the
93 review committee to serve as cochairpersons. The staff of the joint
94 standing committees of the General Assembly having cognizance of
95 matters relating to public health, education and appropriations and the
96 budgets of state agencies shall provide administrative and clerical
97 support to the review committee.

98 (c) Notwithstanding any provision of the general statutes, the
99 authority of the review committee during its term shall include, but
100 not be limited to, the following: (1) To review financial and clinical
101 data of The University of Connecticut Health Center, including each of
102 its component parts; (2) to review and monitor the implementation of
103 all restructuring, cost efficiencies, revenue enhancement plans and
104 strategic plans for the health center; (3) to review operational results,
105 including performance for all units of the health center; (4) to evaluate
106 the future role of the John Dempsey Hospital, The University of
107 Connecticut schools of medicine and dental medicine, and the health
108 center's delivery of the correctional managed care program; (5) to
109 evaluate medical education, research and health care delivery; (6) to
110 review student tuition and fee levels for The University of Connecticut
111 schools of medicine and dental medicine; (7) to review and monitor the

112 health center administrative, faculty, physician, professional and
113 nonprofessional compensation, benefits and contracts; (8) to make
114 recommendations concerning affiliated foundation efforts and other
115 fundraising activities, including, but not limited to, the establishment
116 of an endowment fund; (9) to review the performance audit to be
117 conducted pursuant to section 4 of this act; (10) to make
118 recommendations concerning quarterly and annual reporting
119 requirements for the health center, including each of its component
120 parts; (11) to suggest future ongoing reporting requirements for public
121 health and research initiatives conducted by the health center; (12) to
122 evaluate placement and financing of medical student residents; (13) to
123 make recommendations concerning the establishment of a board of
124 directors for the John Dempsey Hospital that would report to the
125 Board of Trustees of The University of Connecticut; and (14) to make
126 recommendations concerning whether public act 92-154 should be
127 amended.

128 (d) Not later than December 1, 2000, and July 1, 2001, the review
129 committee shall submit interim reports to the General Assembly and
130 the Governor, and not later than October 1, 2001, shall submit a final
131 report to the General Assembly and the Governor, in accordance with
132 the provisions of section 11-4a of the general statutes, concerning its
133 review of the operations of The University of Connecticut Health
134 Center. The review committee shall include in such reports (1) a
135 review of the findings and recommendations made in the performance
136 audit conducted pursuant to section 4 of this act, and (2) the fiscal
137 implications of any recommendation contained in such reports. The
138 review committee shall terminate upon the submission of the final
139 report required under this subsection.

140 (e) Nothing in this section shall be construed to alter the
141 governance, fiscal authority or operating responsibilities of the Board
142 of Trustees of The University of Connecticut under chapter 185b of the
143 general statutes.

144 Sec. 4. (a) The Auditors of Public Accounts, in consultation with the

145 Department of Higher Education, shall issue a request for proposals
146 for an independent performance audit of The University of
147 Connecticut Health Center, including each of its component parts. The
148 Auditors of Public Accounts shall enter into a contract for a
149 performance audit that shall include, but not be limited to:

150 (1) A review of the quarterly reports submitted to The University of
151 Connecticut Health Center Review Committee pursuant to section 2 of
152 this act. Such review shall also include financial statements that have a
153 clear allocation of all health center income and expenses to each
154 operating function of the health center for the 2000 fiscal year of the
155 health center and a comparison with planned and actual results for the
156 2001 fiscal year of the health center;

157 (2) An examination of health center governance issues relating to
158 management responsibilities, avoidance of conflict of interests and
159 fiscal management practices, and a recommendation concerning the
160 establishment of a board of directors for the John Dempsey Hospital
161 that would report to the Board of Trustees of The University of
162 Connecticut;

163 (3) A systematic assessment of the health center's core competencies
164 and their relationship to (A) enhancing the quality of The University of
165 Connecticut schools of medicine and dental medicine, and (B) the
166 health center's stated objectives;

167 (4) Review the economy and efficiency audits concerning the use of
168 health center resources and implementation of plans for identifying
169 more effective means to allocate health center resources so as to
170 achieve cost efficiencies in the delivery of care;

171 (5) (A) An assessment of health center: Management oversight;
172 faculty, administrative and professional compensation policies; and
173 fiscal and programmatic comparison to governance, organization,
174 management, compensation and benefits, medical and dental
175 education costs and revenues, research, health services and efficiency
176 and effectiveness with respect to other comparable university-based

177 health centers, schools of medical and dental education and hospitals;
178 and (B) recommendations for ways in which the health center can
179 reduce costs, improve management and make services more effective
180 and efficient;

181 (6) The identification of methods to maximize federal and third
182 party funding;

183 (7) Information concerning the average daily census by specialty at
184 the John Dempsey Hospital and recommendations on how to increase
185 such average daily census;

186 (8) A review of the appropriate assignment and use by the health
187 center of federal cost recovery funds and residency programs;

188 (9) A review of contractual obligations of the health center;

189 (10) Information and recommendations concerning community
190 benefits, economic development benefits and economic development
191 potential associated with biomedical and biotechnology research;

192 (11) An evaluation of cutbacks in federal funding and payments;
193 and

194 (12) The identification of significant issues that warrant further
195 audit but are not directly related to the objectives of the performance
196 audit.

197 (b) The Board of Trustees of The University of Connecticut shall
198 submit a management response from responsible officials to the
199 auditor concerning each of the recommendations contained in the
200 performance audit conducted pursuant to subsection (a) of this section.

201 (c) Performance audit interim reports shall be submitted to The
202 University of Connecticut Health Center Review Committee in a
203 timely manner for use by the review committee in preparing the
204 reports required under subsection (d) of section 3 of this act.

205 (d) The performance audit conducted pursuant to subsection (a) of
206 this section shall be in addition to any financial or operational audit
207 required under any provision of the general statutes or any public or
208 special act.

209 Sec. 5. Not later than October 1, 2000, and quarterly thereafter
210 during the term of The University of Connecticut Health Center
211 Review Committee, the chief executive officer of The University of
212 Connecticut shall submit a report to The University of Connecticut
213 Health Center Review Committee concerning the planned and actual
214 use of funds appropriated to The University of Connecticut Health
215 Center pursuant to section 36 of substitute house bill 5216 of the
216 current session and sections 6 and 7 of this act.

217 Sec. 6. The sum of twelve million five hundred thousand dollars
218 appropriated to The University of Connecticut Health Center, from the
219 General Fund, for the fiscal year ending June 30, 2000, pursuant to
220 section 36 of substitute house bill 5216 of the current session shall not
221 lapse on June 30, 2000, and shall be available for expenditure by The
222 University of Connecticut Health Center during the fiscal year ending
223 June 30, 2001.

224 Sec. 7. The sum of four million four hundred thousand dollars
225 appropriated to The University of Connecticut Health Center, from the
226 General Fund, for the fiscal year ending June 30, 2001, pursuant to
227 section 36 of substitute house bill 5216 of the current session shall not
228 lapse on June 30, 2001, and shall be available for expenditure by The
229 University of Connecticut Health Center during the fiscal year ending
230 June 30, 2002.

231 Sec. 8. The sum of three million one hundred thousand dollars
232 appropriated to The University of Connecticut Health Center, from the
233 General Fund, for the fiscal year ending June 30, 2000, for the purpose
234 of The University of Connecticut Health Center research pursuant to
235 section 36 of substitute house bill 5216 of the current session shall not
236 lapse on June 30, 2000, and shall be available for expenditure for such

237 purpose during the fiscal year ending June 30, 2001.

238 Sec. 9. This act shall take effect from its passage."